

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

***United States Attorney
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For Immediate Release

NEWS RELEASE SUMMARY - February 27, 2006

United States Attorney Carol C. Lam announced that today Eriberto Candelario, the owner of Triunfo-Mex, Inc., a Los Angeles area importing firm, was sentenced in U.S. District Court in San Diego by the Honorable Larry A. Burns to serve one year in custody, followed by six months in a community confinement center, based on his conviction for Customs offenses rising from his Company's importation of food products into the United States. Candelario also was ordered to pay a fine of \$7,500, and restitution of \$3.5 million duty to the government. The Court ordered Candelario immediately into custody to begin serving his sentence. At the time of the guilty pleas in this case, the corporation acknowledged that the overall loss of duty during the period of the offense was \$3.5 million, and agreed to reimburse the Customs Service for that loss, as well as to pay a \$2.1 million fine. During the sentencing hearing, the corporation's counsel advised the Court that \$1.7 million in restitution has been paid to date.

According to Assistant U.S. Attorney Melanie K. Pierson, who prosecuted the case, Candelario, the corporation, and two of its officers (Cristina Candelario and Josefina Candelario) pled guilty on May 12,

2005, to a two-count Information charging them with importing goods and paying less than the duty legally owed, in violation of Title 18, United States Code, Section 541. Cristina Candelario was responsible for processing the invoices for payment to the U.S. customs broker, which included the payment of duties to the U.S. Customs Service. Josefina Candelario was employed in Mexicali, Mexico, by Productos Mexicanos El Triunfo S.A. de C.V., a company which shared the same ownership as Triunfo-Mex, Inc., and which generated the false invoices that were submitted. Both women were sentenced on November 7, 2005, to five years probation, a fine of \$1,000 for Josefina Candelario and a fine of \$2,000 for Cristina Candelario, and both women were ordered to pay restitution in the amount of \$200,000 to the government.

According to court documents, Triunfo-Mex, Inc., located in the City of Industry, California, is in the business of importing Mexican food, candy, detergents, and health and beauty products, and of distributing them to retail outlets within the United States. According to the plea agreement, the defendants admitted that from January 1998 to January 2003, Triunfo-Mex, Inc. imported approximately 32,897 line items of merchandise from Mexico, almost exclusively through the Calexico, California, Port of Entry. The majority of the products imported were exported by Productos Mexicanos El Triunfo SA de CV.

During the period from 1998 through January 2003, entries of certain products from Mexico were subject to quotas set under the North American Free Trade Agreement (NAFTA). Once the quota was reached for that particular line item, duty was required to be paid upon importation. Prior to the quota being reached, no duty was imposed. In connection with their guilty pleas, the defendants admitted that during the period from January 1, 1998, through January 1, 2003, Triunfo-Mex, Inc. imported products such as condensed milk and instant drink mixes, which were subject to quotas under NAFTA. Prior to the time that the quota was reached for a particular item, the unit price Triunfo-Mex, Inc. declared on the documents accompanying the merchandise was the true unit price. The defendants admitted, however, that once the quota was reached, the unit price declared for the item dropped to approximately one tenth of the previously declared value for the same merchandise.

The case is the result of an investigation by the Immigration and Customs Enforcement, Department of Homeland Security.

DEFENDANTS

Triunfo-Mex, Inc.
Eriberto Candelario
Cristina Candelario
Josefina Candelario

SUMMARY OF CHARGES

Count 1 (Triunfo-Mex, Inc.)

Entry of Goods Falsely Classified, in violation of Title 18, United States Code, Section 541
Maximum Penalty: (For Corporation) Five years' probation and a fine of twice the gross loss or gain

Count 2 (Eriberto Candelario, Cristina Candelario, Josefina Candelario)

Entry of Goods Upon Payment of Less than Legal Duty, in violation of Title 18,
United States Code, Section 541
Maximum Penalties: Two years in custody and/or \$250,000 fine

AGENCY

Department of Homeland Security, Immigration and Customs Enforcement